



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION 10**  
1200 Sixth Avenue, Suite 900  
Seattle, Washington 98101-3140

January 15, 2014

**MEMORANDUM**

**SUBJECT:** NPDES General Permit for Geotechnical Surveys and Related Activities in Federal Waters of the Beaufort and Chukchi Seas (AKG-28-4300)  
Summary of EPA's Meeting with Shell on January 10, 2014

**FROM:** Hanh Shaw, Manager, Oil Gas and Energy Sector  
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**TO:** Permit File

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The purpose of this memorandum is to document the concerns and questions shared by Shell during a meeting with EPA and the Alaska Department of Environmental Conservation (DEC) on January 10, 2014 in Anchorage, Alaska. The list of meeting attendees is attached.

This meeting was held during the joint public comment process for EPA's and DEC's draft National (NPDES) and Alaska Pollutant Discharge Elimination System geotechnical general permits for discharges from oil and gas geotechnical and related activities to federal and state waters, respectively. As such, the following "ground rules" were expressed by EPA at the start of the meeting:

- The draft general permits are undergoing formal public review and comment period, which ends on January 27, 2014.
- The meeting is considered a listening session by both agencies. Any responses we provide will be consistent with the current administrative records for the draft permits.
- The meeting discussions will be documented by the agencies and the summary notes added to the respective administrative records.
- Any information shared by Shell during the meeting must be submitted as written comments prior to the deadline in order for the agencies to consider them as official comments.

The following "high level" concerns associated with EPA's draft geotechnical general permit were expressed by Shell during the meeting. Shell claimed it cannot use the general permit as currently written, which would jeopardize the company's ability to collect geotechnical data in a timely fashion, thus impacting its OSC development and production plans.

1. The geotechnical permitting process was initiated by Shell in November 2012. Geotechnical activities and discharges are common around the world with documented low impacts.

2. The timing restrictions and permit requirements would increase the length of time necessary to complete the work, and may jeopardize Shell's ability to conduct the work. Examples include:
  - a. Monitoring requirements, such as toxicity characterization and fecal coliform testing, would increase vessel and helicopter traffic to transport personnel and samples to shore, thereby increasing impacts to the local communities and marine mammals.
  - b. Helipads and onsite laboratories must also be added to the vessels, which would increase project costs and incur delays.
3. The Environmental Monitoring Program (EMP) requirements are not commensurate with geotechnical activities and expected low-level impacts common to this work.
4. The Ocean Discharge Criteria Evaluation (ODCE) does not support the EMP requirements, and lacks scientific support for monitoring requirements specified within the draft general permit.
5. The general permit includes virtually identical requirements to the exploration general permits even though the activities and associated discharges are vastly different.
6. The provision prohibiting discharges of drilling fluids and drill cuttings during spring bowhead hunting in the Chukchi Sea lacks a reasonable basis. Shell's conversations with the Alaska Eskimo Whaling Commission revealed that AEWC did not make a request of this requirement to EPA.
7. EPA's draft general permit requirements differ greatly from DEC's draft general permit, which would cause the company to modify its operations as it moves across federal and state waters.
8. EPA's draft general permit requirements for miscellaneous vessel discharges are much more stringent than those in the Vessel General Permit for discharges to state waters and the U.S. Coast Guard's requirements for discharges to federal waters.
9. EPA's draft general permit is much more stringent than its general permit for discharges from the same activities to federal waters in the Gulf of Mexico.
10. It appears that there is a potential gap in NPDES permit coverage if a non-drilling vessel is used to construct the mudline cellar. Shell is concerned that neither the geotechnical general permit nor the Beaufort and Chukchi exploration general permits would authorize the discharges.

Other concerns regarding the draft general permit were also shared by Shell during the course of the meeting, including the 90-day requirement to submit a Notice of Intent requesting authorization to discharge, the length of time needed for EPA to develop the responses to comments, possible re-noticing of the draft general permit if substantial changes are made, and the overall timing of EPA's schedule for issuance of the final permit.

Attachment: Meeting sign-in sheet